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ARIZONA CORPORATION COMMISSION
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December 13, 2021

RE: In the matter of Electric Vehicles, EV Infrastructure, and the Electrification of the Transportation Sector in Arizona. (Docket No. E-00000A-21-0104)

My Fellow Commissioners:

As a regulator, I believe transportation electrification offers a unique opportunity for Arizona. According to AZ Thrives, an Arizona-based organization comprised of over 70 public and private entities including several of Arizona's largest investor owned electric utilities,[1] "Arizona has emerged as one of the centers of electric-vehicle innovation in the United States, underscored by an influx of EV manufacturers and suppliers that have expanded in the state."[2] In addition, through electrification, we can grow Arizona's economy and acquire new market share in the utility industry, increasing the overall value of our state to outside investors while reducing the per capita cost of electricity for everyone, especially Arizona families and small businesses.

In addition, widespread adoption of electric vehicles ("EVs") can serve as a critical component of a more comprehensive strategy to reduce statewide vehicle emissions in Arizona, which helps to improve our overall air quality while possibly helping to reverse ozone nonattainment levels.

Over the last several years, major automakers and EV battery manufacturers such as GM, SK Innovation, and Ford have announced plans to invest billions in Sun Belt states like Texas, Georgia, and Tennessee for the construction of EV and EV battery manufacturing plants, which will bring thousands of new jobs and provide economic development opportunities for those states.

According to AZ Thrives, at least "four leading EV companies have committed to manufacturing in Arizona, which will create approximately 25,000 jobs."[3] These include Lucid Motors, Nikola Motors, TuSimple, and Electra Meccanica.[4] In 2016, Lucid Motor Company, a new market entrant for the EV industry, announced it would be investing $100 million by 2030 in Arizona and selected Casa Grande as the site for producing its new line of luxury EVs.[5] Lucid Motor Company is expected to employ approximately 2,000 people and produce approximately 130,000 EVs per year when operating at full capacity.[6] More recently, Rivian, another new market entrant to the EV industry, announced that it was looking for a site to invest $5 billion in an EV manufacturing plant for its line of all-electric trucks and SUVs, which will be some of the first truck and SUV EVs on the market. According to recent reports, Arizona is one of the states that Rivian is considering, along with other Sun Belt states such as Texas and Georgia.[7]

As the regulatory body that ultimately sets the rates and fuel mix for Arizona's energy economy, I believe the Arizona Corporation Commission's ("Commission") supportive regulatory climate and energy policies represent an ideal jurisdiction for both the charging and manufacturing of EVs. Our focus on grid resiliency and reliability means our EV owners and manufacturers don't have to worry about whether a summer heat wave or winter freeze will cause rolling blackouts, which bring EV charging and production in other states to a halt.

[1] https://azthrives.org/whos-in/.
[2] https://azthrives.org/webinar-arizonas-electric-vehicle-future/.
[3] https://azthrives.org/wp-content/uploads/2021/08/TNC_AZTRoundsFactsheet.pdf.
[4] https://azthrives.org/wp-content/uploads/2021/08/TNC_AZT_RoundsReport_Final.pdf.
[5] https://azgovernor.gov/governor/news/2021/09/lucid-motors-starts-production-lucid-air-amp-1-factory-casa-grande.
[6] https://azthrives.org/wp-content/uploads/2021/08/TNC_AZT_RoundsReport_Final.pdf.
[7] https://www.freightwaves.com/news/rivian-considers-texas-arizona-for-5b-electric-vehicle-plant; https://www.cnet.com/roadshow/news/rivian-new-plant-georgia/.

In addition, our utilities' voluntary commitments to reduce carbon emissions mean Arizona is one of the few pro-business Sun Belt states that can ensure that the EVs manufactured and charged within its borders will help to reduce emissions not only on the road but also in the production process.

While I am excited to support the work that has been done on Arizona's statewide EV plan, no statewide EV roadmap is without areas for improvement. I have read the filings in this docket,[8] reached out to stakeholders and other state agencies to gather more information,[9] and reviewed the Commission's jurisdiction to adopt various proposals that have been recommended.[10] Based on my review, it seems the Commission and regulated utilities may need to find a path that provides an affordable plan for Arizona ratepayers to support the accelerated buildout of "make ready" infrastructure and charging stations that will support the rapid adoption of EVs as predicted by federal and industry sources. Such a path will be especially important in the first few years of utility buildout, when lenders and investors will require significantly more certainty in the Commission's regulatory review and approval process, but the infrastructure might not be "used" for purposes of cost recovery in pending rate cases because no charging stations have been installed.

I appreciate the effort that was put into compiling the Phase II Report, as it represents the culmination of hard work following several important Commission decisions, including the Commission's first EV Policy Statement[11] and subsequent EV Implementation Plan[12] in 2019. However, upon close review of the filings, I am concerned the Commission lacks sufficient data and legal support to proceed with the stakeholders' specific recommendations. I have detailed my specific concerns in Attachment #2 to this letter.

In addition, Attachment #2 contains a brief history of the events leading up to the Phase II Report, as well as a summary of the report's findings and a summary of the recommendations that various stakeholders have made regarding the report. Attachment #2 also explains some of the fact-finding efforts I conducted to find the most evidence-supported transportation electrification roadmap possible, which would not cause any undue cost burdens on Arizona families and small businesses.

Lastly, based on my fact-finding mission, Attachment #2 explains some of the reasons why I believe the Commission lacks empirical evidence to adopt some of the specific recommendations that have been proposed. Although my concerns are not insignificant, I do believe they can be overcome.

Despite my specific concerns with the Phase II Report, I believe broader EV adoption and emission reductions will result in economic benefits to Arizona. As a problem solver and your fellow commissioner, I am inspired to find solutions that can help us move forward with clear objectives that are within our jurisdiction, even if it means pivoting from the broader "adoption scenario" framework and finding more specific solutions that are aligned with our role as utility commissioners. Although our constitution does not give us authority to regulate the total number of EVs in the state, it does give us the authority to support utility EV make-ready infrastructure and work collaboratively with members of the private sector to attract new businesses, expand existing markets, and ensure reliability of the grid, while accomplishing common goals. By focusing on the EV make-ready infrastructure, for

[8] See, e.g., Arizona Statewide Transportation Electrification Plan & Roadmap Phase II Report (Apr. 1, 2021), https://docket.images.azcc.gov/E000012626.pdf?i=1618978904013; Staff Memorandum & Proposed Order (Oct. 19, 2021), https://docket.images.azcc.gov/E000016230.pdf?i=1639157738366; Comments of Arizona PIRG Education Fund, SWEEP, & WRA (Oct. 29, 2021), https://docket.images.azcc.gov/E000016368.pdf?i=1638828551912; Comments of Arizona Center for Law in the Public Interest and Eighteen Others (Oct. 29, 2021), https://docket.images.azcc.gov/E000016400.pdf?i=1639157738366; and other filings and exceptions from stakeholders.

[9] See Letter to ADEQ (Aug. 5, 2021), https://docket.images.azcc.gov/E000014960.pdf?i=1639157738366; Letter to MAG (Nov. 5, 2021), https://docket.images.azcc.gov/E000016507.pdf?i=1639157738366; Letter to APS & TEP (Nov. 11), https://docket.images.azcc.gov/E000016537.pdf?i=1639157738366.

[10] See Concern #4 in Attachment #2.

[11] Decision No. 77044 (Jan. 16, 2019), https://docket.images.azcc.gov/0000195197.pdf?i=1617899675388.

[12] See Decision No. 77289 (Jul. 16, 2019), https://docket.images.azcc.gov/0000199128.pdf?i=1617899675388.

example, which is necessary to support EVs under all adoption scenarios, I believe we can find a solution.

According to at least one EV battery development and engineering company, the primary challenge facing widespread adoption of EVs today is not the price or range of EVs–it is the lack of adequate EV charging infrastructure.[13] Fear of range anxiety, running out of "gas" when no charging stations are nearby, and lack of convenient locations weigh against consumers' decision to buy an EV, even if the price and distance are otherwise comparable to conventional vehicles. According to AZ Thrives, "infrastructure is still scarce and unevenly distributed as Arizona,"[14] which presents an "[a]rea[] of opportunity" for "better coordination of charging station deployment" and can help to "ensure a smooth transition" for EV adoption.[15] According to TE Activator, which is a coalition of Arizona-based public and private entities including the cities of Phoenix, Mesa, and Tempe,[16] "deploying critical infrastructure" and focusing on "reducing range anxiety" and "electrifying public and commercial fleets" represent core strategies and tactics in the Activator's "TE Blueprint" for achieving "transformational outcomes" in the adoption of EVs.[17]

According to the International Energy Association ("IEA"), the ideal number of charging stations needed to support EVs in Europe is one charging station for every ten EVs, or 10-to-1.[18] Although the United States and European nations differ considerably in their respective rates of EV adoption, urban and rural divides, and socio-economic circumstances, priorities, and outlooks–there may be some merit to considering the IEA's idea ratio as a potential goal to work toward in Arizona.

Moreover, because EV make-ready infrastructure falls squarely within the Commission's jurisdiction, I believe focusing on this aspect of the challenges facing widespread EV adoption represents the most effective use of the Commission's resources in this docket.

The EV revolution is coming, and our ability to proactively facilitate it through constructive regulatory frameworks and EV make-ready infrastructure should offer the unique opportunity to grow Arizona's economy and acquire new market share in the utility industry. By supporting electrification of the transportation sector and broader adoption of EVs, we can support Arizona's continued economic development and the overall value and attractiveness of our state, while reducing the per capita cost of electricity for everyone, especially Arizona families and small businesses.

I appreciate the hard work that was done to get us where we are today. The Phase II Report lists many options the utilities can take from here, but I also believe it could benefit from clear next steps regarding which options, if any, the utilities should take or prioritize next. Consistent with the suggestions made by AZ Thrives and TE Activator, over the next six months, I would like utilities to work with Staff and stakeholders to develop a plan or incentive mechanism for the Commission's consideration that would help to accelerate the deployment of EV make-ready infrastructure in a way that benefits all parties involved, including ratepayers and the economy as a whole. For reference, see Attachment #1 for the NARUC Uniform System of Accounts relevant to this discussion.

We should continue to support independent Arizona-based organizations like AZ Thrives[19] and TE Activator[20] in their efforts to gather more data on the appropriate long-term goals and benchmarks to set for Arizona and encourage the appropriate governmental bodies to adopt policies that will have an impact statewide, such that we can play our limited part in helping the state move forward.

I hope to work with my fellow commissioners and stakeholders in the future to give Arizona's utilities an incentive

[13] https://lionsmart.com/en/the-electric-vehicle-charging-problem/
[14] https://azthrives.org/wp-content/uploads/2021/03/Arizona-Thrives-Dec-2019.pdf.
[15] Id.
[16] https://sustainabilityactivator.com/partners/.
[17] https://sustainabilityactivator.com/wp-content/uploads/2021/11/TEA-Playbook-Executive-Summary-2021.pdf.
[18] https://www.iea.org/gevo2018/.
[19] https://azthrives.org/whos-in/.
[20] https://sustainabilityactivator.com/partners/.

to work even more collaboratively with independent charging station providers and lay the foundation that will catapult Arizona into transportation electrification, while helping the Commission establish a more constructive regulatory relationship with utilities, going forward.

Sincerely,

Lea Márquez Peterson
Chairwoman

Attachment 1

Typical EV Make Ready Infrastructure and Charging Station Components	Uniform System of Account
• **Cords** (from charging device to EV connector) • **Connectors** (Standard NEMA 5-15 and Standard SAE J1772 for Levels 1 and 2; for DCFC, there are at least three: CCS; CHAdeMO; and Tesla connectors) • **Internal Wiring** • **Enclosures** • **Thermal Switches** • **Displays** • **Electric Circuit Breakers** • **Cable Hangers** • **Charger Plug Holsters** • **Nylon Glands/Lock Nuts** • **Electrical Panels** • **Concrete Foundation** • **Charging Ports/ Charging Posts** • **Mounting** (type: wall, pedestal & ceiling) • **Wireless Charging Base Pads** • **Vehicle Pads**	362 Station Equipment
Flexible Conduits	366 Underground conduit
New or Upgraded Transformers	368 Line transformers
Energy Meter and Timers	370 Meters
Land/Parking Space (purchase or lease)	360 Land and land rights
Lighting	373 Street lighting and signal systems

Generation Components Related to EV Make Ready Infrastructure	Uniform System of Account
Additional Generation Plant Facilities needed to provide electricity to charging stations	Electrical Plant Chart Account Nos. 310-348

Transmission Components Related to Serve EV Make Ready Infrastructure	Uniform System of Account
Additional Transmission Facilities needed for the transmission of electricity to charging stations	Transmission Plant Account Nos. 350-359

Attachment 2

Context - Arizona Corporation Commission Policy on EVs

On October 29, 2021, the Commission's Utilities Division ("Staff") filed a proposed order ("Proposed Order")[21] recommending the Commission approve an Arizona Statewide Transportation Plan & Roadmap Phase II Report ("Phase II Report")[22] that utilities prepared in response to an EV Implementation Plan the Commission adopted on July 16, 2019.[23] As a result of an EV policy statement the Commission adopted earlier in 2019 ("EV Policy Statement),[24] the EV Implementation Plan directed Arizona's utilities to work collaboratively with stakeholders to create a "long-term, comprehensive transportation electrification plan for the state of Arizona."[25]

In January 2019, the Commission adopted an EV Policy Statement, which established a goal of "encouraging growth of the EV sector in Arizona" by focusing on the "role of the regulated entity in charging infrastructure versus private companies," including the "scope, size, and involvement" of utilities.[26]

As a result of the Commission's directive for utilities to work collaboratively with stakeholders to develop a comprehensive transportation electrification plan, the Phase II Report provides key details on the practicality and feasibility of three EV adoption scenarios for Arizona. They include the following:[27]

- "low adoption" scenario (241,440 EVs in Arizona by 2030);
- "medium adoption" scenario (1.067 million EVs in Arizona by 2030); and
- "high adoption" scenario (1.479 million EVs in Arizona by 2030).

According to the Phase II Report, the scenarios represent the following goals and assumptions:

- The "low adoption" scenario represents the current adoption trajectory in Arizona. According to the United States Department of Energy, Arizona has 28,770 electric vehicles as of December 31, 2020.[28] According to the Phase II Report, Arizona will have 241,440 EVs by 2030. However, the siting of additional EV manufacturing plants and charging station networks in Arizona could have a positive effect on this trajectory.

- The "medium adoption" scenario represents Arizona's share of a national goal that the Rocky Mountain Institute ("RMI") established to achieve 50 million EVs by 2030.[29] RMI determined that in order to prevent global average temperature rise of 1.5° Celsius under the Intergovernmental Panel on Climate Change ("IPCC") Special Report on climate change,[30] the United States would need to achieve 50 million EVs by 2030.[31] According to the Phase II Report, Arizona's share of RMI's national goal is 1.067 million EVs. According to additional filings made by Arizona Public Service Company ("APS") and ("TEP") in response to a letter I filed in the docket, all cost data included in the Phase II Report, if any was available, was based on

[21] See Staff Memorandum & Proposed Order (Oct. 19, 2021), https://docket.images.azcc.gov/E000016230.pdf?i=1639157738366.
[22] See Arizona Statewide Transportation Electrification Plan & Roadmap Phase II Report (Apr. 1, 2021), https://docket.images.azcc.gov/E000012626.pdf?i=1618978904013.
[23] See Decision No. 77289 (Jul. 16, 2019), https://docket.images.azcc.gov/0000199128.pdf?i=1617899675388.
[24] See Decision No. 77044 (Jan. 16, 2019), https://docket.images.azcc.gov/0000195197.pdf?i=1617899675388. .
[25] See Decision No. 77289.
[26] See Decision No. 77044.
[27] See Phase II Report.
[28] See U.S. Department of Energy, *Electric Vehicle Registrations by State*, https://afdc.energy.gov/data/10962.
[29] See Phase II Report.
[30] See IPCC Special Report, https://www.ipcc.ch/sr15/.
[31] See https://rmi.org/insight/ev-charging-for-all/; https://rmi.org/press-release/the-race-to-tackling-transportation-emissions-by-electrifying-ridehailing-fleets/; https://rmi.org/wp-content/uploads/dlm_uploads/2021/01/RMI_Insight_Brief_Accelerating_EV_Transition.pdf.

the "medium adoption" scenario or was otherwise speculative/unknown.[32]

- The "high adoption" scenario represents the adoption outcome if Arizona were to replace approximately 20 percent of the state's vehicles with EVs by 2030.[33] It represents a "variation" of the medium adoption scenario, which explores "higher levels of LDV [light duty vehicle] adoption specifically."[34] It is not based on any national goals or objectives. According to the utilities, no cost data was provided for the "high adoption" scenario.

Stakeholder Recommendations - Codify or Implement the "High Adoption" Scenario

Two distinct groups of stakeholders, one group of nineteen public interest organizations, and a group of three stakeholders, including the Arizona PIRG Education Fund, Southwest Energy Efficiency Project ("SWEEP"), and Western Resource Advocates ("WRA"), recommended the Commission "implement the Plan's 'high adoption' electric vehicle scenario in order to maximize reductions to customer rates and avoid the consequences of a nonattainment designation for ground-level ozone."[35]

Concerns - Lack of Empirical Evidence to Adopt Specific Recommendations

1. **"Medium" Adoption Scenario is Misleading; Does Not Represent the "Moderate," "Mean," or "Median" Adoption Scenario.** The spread between the "low" and "medium" adoption scenarios in the Phase II Report is over 800,000 EVs, whereas the spread between the "medium" and "high" adoption scenarios is only 412,000 EVs. The Phase II Report did not consider or model any additional adoption scenarios between 241,000 and 1.067 million EVs. This raises serious questions regarding whether the "medium adoption" scenario truly represents the more moderate approach, the mean, or the median, as the term "medium" connotes.

2. **Questions Whether the "Medium Adoption" Scenario is Truly Arizona-Based.** Upon investigating the source of the "medium adoption" scenario, I became concerned about how the RMI's nationwide goal of 50 million EVs by 2030 was being adopted and extrapolated for Arizona, as well as whether that extrapolation was truly relevant to our state. From my review of the Phase II Report, I could not identify how Arizona's 1.067 million share of the RMI's national goal was derived. According to RMI's website, the nationwide goal to achieve 50 million EVs by 2030 is based on IPCC climate data and the number of EVs it believes would be necessary to reduce global greenhouse gas ("GHG") emissions and prevent global average temperature rise of 1.5° Celsius. But what is Arizona's respective share of those emissions? Does 1.067 million EVs truly represent Arizona's respective share of this overarching goal? How do we know the goal is accurate if the United States Congress has not adopted that goal for itself? I contacted RMI in an effort to schedule a meeting but they did not respond.

3. **Codification of the "High Adoption" Scenario Lacks Both Cost and Scientific Basis and Evidentiary Support.** I had further concern when I saw Staff and stakeholders calling for codification of the "high adoption" scenario, especially as: (i) the only cost analysis that was conducted in the phase 2 report was based on the "medium adoption" scenario; (ii) like the Commission's pending Energy Rules, the scenario is not based on IPCC climate science; and (iii) the 1.467 million figure has no relation to preventing or reversing "serious" ozone nonattainment in areas of the state.

[32] See Response from APS (Nov. 25, 2021), https://docket.images.azcc.gov/E000016755.pdf?i=1639157738366; Response from TEP (Nov. 25, 2021), https://docket.images.azcc.gov/E000016744.pdf?i=1639157738366.
[33] See Phase II Report.
[34] See id.
[35] Comments of Arizona PIRG Education Fund, SWEEP, & WRA (Oct. 29, 2021), https://docket.images.azcc.gov/E000016368.pdf?i=1638828551912.

- **Lacks Cost Data.** On November 11, 2021 I wrote APS and TEP asking for cost information related to the "medium adoption" scenario and to preventing or reversing serious ozone nonattainment.[36] They said, "These goals are distinct from statewide or utility-based EV forecasts that chart the likely adoption trajectory given data available today and used in areas such as resource planning."[37] This suggests even the cost data related to the "medium adoption" scenario may lack adequate support. Certainly if the Commission lacks sufficient cost data for the "medium adoption" scenario it has even less support for the "high adoption" scenario.

- **Lacks Support Toward Achieving Tangible Scientific Objectives.** Despite the lack of cost data, I asked myself whether the "high adoption" scenario would be worth pursuing for the purpose of helping the state reduce GHG emissions to mitigate global climate change or to achieve air quality benefits to help prevent or reverse "serious" ozone nonattainment in Arizona. Unfortunately, the "high adoption" scenario fails under both objectives:

  - **"High Adoption" Scenario is Not Based on IPCC Climate Data.** Whereas the Phase II Report and RMI website suggest the "medium adoption" scenario is based in-part on IPCC climate data, I could find no such correlation in the Phase II Report related to the "high adoption" scenario. If the Commission's goal is to address the negative impacts of global climate change and prevent global average temperature rise of 1.5° Celsius, as determined by IPCC climate data, then, according to the RMI's calculations, the "medium adoption" scenario is sufficient for achieving the Commission's objectives, assuming such is within the Commission's jurisdiction.

  - **"High Adoption" Scenario Bears to Relation to Preventing or Reversing "Serious" Ozone Nonattainment.** According to the Arizona PIRG Education Fund, SWEEP, and WRA, the Commission should codify the "high adoption" scenario in order to "avoid the consequences of a nonattainment designation for ground-level ozone."[38] Like Arizona PIRG Education Fund, SWEEP, and WRA, I too care about our regional air quality. I am also deeply concerned about the economic impacts of a reclassification to "serious" nonattainment, as, according to a scaling of a Texas study by the Arizona Department of Environmental Quality ("ADEQ"), the economic impact could be as much as $263 million per year. Seeing no air quality data to support the stakeholders' claim that the "high adoption" scenario was necessary or sufficient to prevent or reverse such designation, I contacted the state's relevant governmental agencies to investigate further.

    On August 5, 2021, I wrote a letter to ADEQ to learn more about how our efforts could help the state achieve regional air quality goals, identify the number of EVs needed to fend off reclassification of the Phoenix-Mesa Nonattainment Area ("NAA") from "marginal" to "serious" ozone nonattainment (which the NAA is expected to reach in 2024), and identify the date upon which the state would need to achieve such number of EVs.[39] As I stated in my letter, "any policy or proposal the Commission seeks to consider or develop should be based on facts and data."[40]

    On September 16, 2021, I received a response from ADEQ, which noted Arizona would need to replace more than 1.3 million internal combustion engine vehicles with EVs by January 1, 2023, (within the next two years) in order to prevent reclassification, if the only control the state were to implement was the adoption of EVs.[41] Therefore, to make a meaningful impact in terms of nonattainment policy, the Commission's adoption scenario needed to focus on short-term EV goals for 2023, not 2030. Because

[36] Letter to APS & TEP (Nov. 11), https://docket.images.azcc.gov/E000016537.pdf?i=1639157738366.
[37] See Responses from APS and TEP.
[38] Comments of Arizona PIRG Education Fund, SWEEP, & WRA (Oct. 29, 2021).
[39] Letter to ADEQ (Aug. 5, 2021), https://docket.images.azcc.gov/E000014960.pdf?i=1639157738366.
[40] Id.
[41] Response from ADEQ (Sep. 16, 2021), https://docket.images.azcc.gov/E000015715.pdf?i=1639157738366.

the "high adoption" scenario doesn't contemplate achieving 1.3 million EVs until years *after* the nonattainment deadline of January 1, 2023, codifying the "high adoption" scenario for the purpose of mitigating ozone nonattainment seems unsupported.

Realizing less EVs may be necessary or more time may be available if the state were to pursue a more comprehensive suite of controls (including EVs as one component), I followed up with Maricopa Association of Governments ("MAG") on November 5, 2021, to learn what "range" of EVs may be possible, if the state were to implement other cost-effective controls simultaneously with EV adoption.[42] As I noted in my letter, achieving 1.3 million EVs by 2023 would require over 8,000% the rate of adoption in Arizona in 2019, over 200% the rate of adoption nationally, and over 2,300% the number of EVs registered in our state today; truly an infeasible feat.[43]

On November 17, 2021, I received a response from MAG. Unfortunately, the response I received explained that the "large reductions in vehicle traffic and their associated emissions [related to COVID-19 restrictions] have not resulted in a comparable reduction in ozone air pollution."[44] Although MAG's response did provide an additional deadline the Commission could consider (2026), it explained that replacing 10 percent of all vehicles on the road results in only 0.5 parts per billion ("ppb") reduction in ozone. Accordingly, we can infer that achieving 20 percent shift to EVs, as the "high adoption" scenario represents, would result in only 1 part per billion reduction out of the total 70 ppb the region would need to achieve in order to reverse "serious" nonattainment.

After this research, I am left with the conclusion that while I would love to support an adoption scenario on an air quality basis, we have no data to support the notion that codification of the "high adoption" scenario is necessary to "avoid the consequences of a nonattainment designation for ground-level ozone," as Arizona PIRG Education Fund, SWEEP, and WRA allege. Until MAG, ADEQ, and other stakeholders determine the appropriate number of EVs necessary, there is no adoption scenario modeled in the Phase II Report that bears any relation to preventing or reversing ozone nonattainment in Arizona.

4. **The Commission has no Jurisdiction to Mandate the Number of EVs in the State.** As I stated in my letter to APS and TEP on November 9, 2021, I believe the Commission should work as closely as possible with stakeholders to achieve broader statewide objectives. However, under our state's constitution, the Commission does not have authority to adopt explicit EV or air quality mandates. As the Commission stated when it adopted the EV Policy Statement on January 16, 2019 , the goal was "encouraging growth of the EV sector in Arizona" by focusing on the "role of the regulated entity in charging infrastructure versus private companies," including the "scope, size, and involvement" of utilities.[45] The only ability the Commission has to contribute toward broader transportation electrification and EV goals through the scope and involvement of utilities in the growth of charging infrastructure is the ability to adopt policies related to utility infrastructure, utility rate designs, and utility customer programs. Thus, the codification of any adoption scenario may be expressly beyond the Commission's authority. However, adopting constructive regulatory frameworks and performance incentive mechanisms related to the buildout of utility infrastructure does fall squarely within the Commission's jurisdiction.

[42] Letter to MAG (Nov. 5, 2021), https://docket.images.azcc.gov/E000016507.pdf?i=1639157738366.
[43] Id.
[44] Response from MAG (Nov. 17, 2021), https://docket.images.azcc.gov/E000016622.pdf?i=1639157738366.
[45] See Decision No. 77044.